

Canada. Dept. of Labour. Economic and Research Branch.

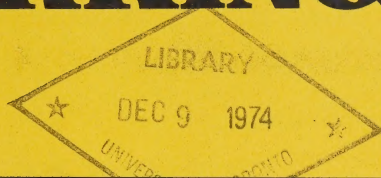
Government
Publications

CAIL21
-74T63

TRENDS IN WORKING TIME

[General publications]
[G-15]

3 1761 11767216 2



Labour
Canada

Travail
Canada



TRENDS IN WORKING TIME

Prepared in
The Wages Research Division
Economics and Research Branch

C.D. Harper
Director
Economics and Research Branch
June 1974.


Hon. John Munro
Minister

T.M. Eberlee
Deputy Minister



Labour
Canada

Travail
Canada



Digitized by the Internet Archive
in 2023 with funding from
University of Toronto

<https://archive.org/details/31761117672162>

TRENDS IN WORKING TIME

The purpose of this report is to present data on hours of work, some analysis of recent trends, and a brief discussion of issues of current interest, including the compressed work week and flexible working hours.

Leisure time has become a popular topic of discussion but too often such discussion lacks a proper perspective because of the absence of data. The present report will help to overcome this deficiency by providing relevant background information and statistics.

This project was undertaken by W.E. Walker of the Wages Research Division under the general direction of Allan A. Porter, Chief of the Division.

C.D. Harper
Director
Economics and Research Branch

June 1974.

TRENDS IN WORKING TIME

Table of Contents

	<u>Page</u>
Introduction	1
Standard Weekly Hours	3
- Expectations of Increased Leisure	3
- Data on Standard Hours	4
- A Change in Values	7
- Other Forms of Reductions in Hours	9
- The Long-Term Trend in Hours	14
Patterns of Working Time	22
- Compressed Work Week	22
- Flexible Hours of Work	25
- Multiple Jobholding	27
- Overtime	31
Summary and Conclusion	34

INTRODUCTION

This paper deals with trends in hours of work in Canadian industry. It focuses mainly on manufacturing industries and non-office employment in the period 1947-72.

One of the key findings is that standard weekly hours have changed very little in the past few years; and much of the paper is devoted to reconciling this fact with the widely held opinion that there have been, and will continue to be, great increases in leisure time.

The primary source of statistical data used is the Survey of Working Conditions conducted annually by the Surveys Division of the Economics and Research Branch of the Canada Department of Labour. The survey covers all establishments with 20 or more employees and in 1972 reports were received from 7,791 establishments in manufacturing with a total of 873,122 non-office employees.

One term used frequently in this paper requires a definition; namely "standard weekly hours". This refers to¹ the hours normally scheduled for the majority of employees, and must be differentiated from two other measures often used, namely, hours worked and hours paid for. Hours worked include overtime, and are affected on the other extreme by short time caused by breakdown of machinery or by lack of orders for the product. Hours paid for also include overtime hours and time paid for but not worked because of vacations, holidays, or other forms of paid absence.

These latter two measures, of course, are useful for various purposes; in fact they are probably used more often than standard hours in various studies. Hours paid for are useful in studies of labour cost or labour income. Actual hours worked are a good indicator of business activity and are used in studies of productivity; for instance, if actual

¹This is essentially the same concept as "normal" hours which was defined more fully by the International Labour Office in a report entitled Statistics of Hours of Work, (Geneva, 1962) in the following words"

- "(1) Normal hours of work fixed by or in pursuance of laws or regulations, collective agreements or arbitral awards.
- (2) Where not fixed by or in pursuance of laws or regulations, collective agreements, or arbitral awards, normal hours of work should be taken as meaning the number of hours per day or week in excess of which any time worked is remunerated at overtime rates or forms an exception to the rules or customs of the establishment relating to the classes of workers concerned."

hours are related to physical units of output it indicates physical productivity. In fact, one component of actual hours, overtime, is sometimes used alone as an indicator of various phases of the business cycle.

On the other hand, standard hours are used here because they best indicate the intent of the two parties. They are the hours specified in company policy or in union contracts. If the occasion arises during negotiations to discuss a trade-off between reduced hours and increased wages it would be standard hours which are discussed, just as standard hours are the time measure stated as a working condition or condition of employment.

STANDARD WEEKLY HOURS

Expectations of Increased Leisure

A number of books and journal articles have appeared dealing with definitions of leisure, uses¹ of leisure and the consequences of increased leisure. The present paper stops short of some of these areas because it relates mainly to "hours not worked" without questioning whether they constitute "leisure" in the sense of free time in which a person is completely idle.

The present paper also differs from some recent discussions of leisure which have taken for granted that working time is diminishing because of automation, etc., and therefore, concern themselves mainly with the question of what form the leisure will take² or the question whether people are "ready" for additional leisure.

The expectation of shorter hours of work is not always stated in precise figures, but a 32-hour week has often been mentioned as the pattern of the future. Whether it be precise or general there are many quotations available on the expectation of fewer weekly hours of work. They often include predictions of longer vacations, earlier retirement, etc., and in statements by union leaders prediction and advocacy are sometimes combined.

One example, under a newspaper heading "Four-day 32-hour week urged", reports "Organized labour was urged yesterday by the Ontario Director of the Canadian Labour Congress to begin negotiating for a four-day 32-hour week to produce one million new jobs by 1975."³

¹As one example see The Price of Leisure by J.D. Owen, Rotterdam University Press, 1969.

²At an O.E.C.D. conference in Paris in September 1972 on "New Patterns in Working Time" no one challenged the premise that working time is decreasing.

³Harry Simon quoted in Globe and Mail, Dec. 6, 1971.

Another example is a newspaper report under the heading "four-day work week for civil service predicted"¹. The article reports Claude Edwards, President of the Public Service Alliance of Canada, as saying that virtually all Canadians will be working a four-day week within 10 years and that the Public Service will be among the leaders.

The final prediction to be quoted is from the United States and is particularly interesting because it represents the consensus of a group of experts from labour, management, government and universities. This panel of 22 authorities was asked to predict which existing fringe benefits would increase most and what new ones might appear in the period 1970 to 1985. A summary of their views was carried in the Harvard Business Review (Jan. 1970) and the writer uses the technique of pretending he is situated in 1985 and looking back: "Automation has also resulted in relatively large increases in leisure time. The work week has shortened from almost 40 hours in the late 1960's to about 35 hours now. The number of vacation days and holidays has risen markedly."

These quotations demonstrate that there is a widespread assumption that hours of work are steadily declining and will continue to do so. In the light of this "common knowledge", about the reduction in hours of work, it is relevant to examine the actual data to get a more precise measure of past changes as a basis for considering what future changes may be.

Data on Standard Weekly Hours

The trend of standard weekly hours for the period 1947 to 1972 is illustrated in Chart I (p. 5) and in Table 1 (p. 6).² The data are for all manufacturing industries and relate to non-office or plant employees. Similar charts could be prepared for office employees, or for industries other than manufacturing, but they could not be extended back as far as 1947 because the Survey of Working Conditions was more limited in its coverage in the early years.

¹Toronto Telegram, July 31, 1971.

²Table I contains some additional data which will be discussed later in this report.

Standard Weekly Hours
Non-office Employees in Manufacturing
1947 to 1972

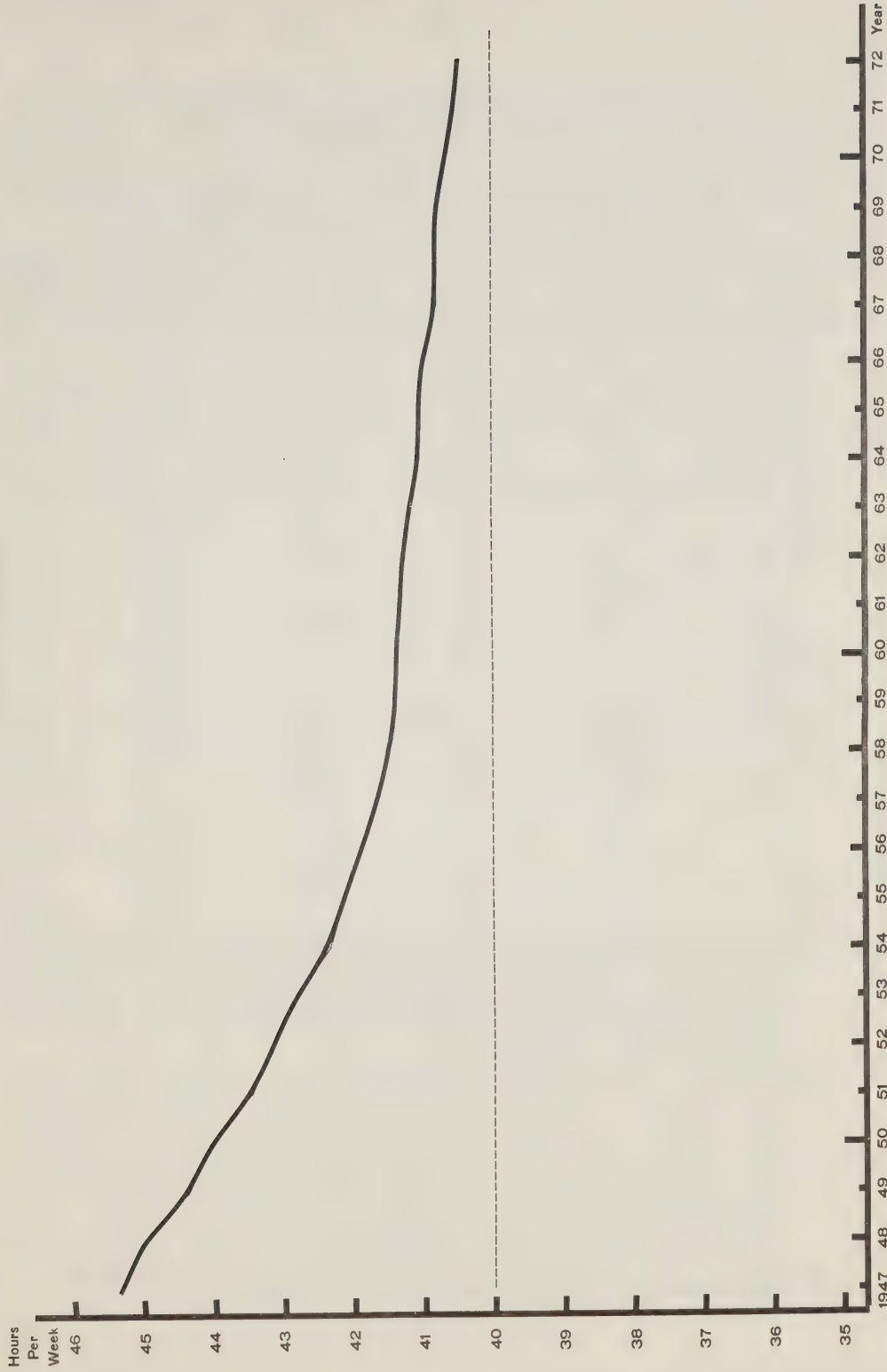


Table I
Hours of Work 1947-1972

Year	Standard Weekly Hours	Holidays		Vacations		Net Working Week
		Days Per Year	Hours Per Week	Weeks Per Year	Hours Per Week	
1947	45.32	4.18	.64	2.22	1.71	42.97
1948	45.03	4.97	.76			
1949	44.38	5.64	.87	2.28	1.75	41.78
1950	44.05	5.91	.91	2.33	1.79	41.35
1951	43.46	6.22	.96	2.35	1.81	40.69
1952	43.15					
1953	42.81	6.74	1.04	2.40	1.85	39.92
1954	42.32	6.68	1.03	2.42	1.86	39.43
1955	42.12	6.85	1.05	2.46	1.89	39.18
1956	41.89	6.98	1.07	2.50	1.92	38.90
1957	41.63	7.31	1.12	2.53	1.95	38.56
1958	41.49	7.44	1.14	2.56	1.97	38.38
1959	41.38	7.27	1.12	2.64	2.03	38.23
1960	41.37	7.40	1.14	2.71	2.08	38.15
1961	41.30	7.50	1.15	2.72	2.09	38.06
1962	41.26	7.49	1.15	2.74	2.11	38.00
1963	41.16	7.54	1.16	2.76	2.12	37.88
1964	41.02	7.60	1.17	2.77	2.13	37.72
1965	41.02	7.76	1.19	2.85	2.19	37.64
1966	40.99	8.01	1.23	2.93	2.25	37.51
1967	40.78	8.08	1.24	2.98	2.29	37.25
1968	40.78	8.38	1.29	3.03	2.33	37.16
1969	40.77	8.50	1.31	3.10	2.38	37.08
1970	40.62	8.78	1.35	3.14	2.42	36.85
1971	40.51	8.92	1.37	3.21	2.47	36.67
1972	40.44	9.11	1.40	3.25	2.50	36.54

- Notes:**
- 1) Based on Survey of Working Conditions conducted annually by Canada Department of Labour. Survey results published under separate cover since 1957 and included in Labour Gazette prior to 1957.
 - 2) Data for manufacturing industries, non-office employees, all Canada. Figures prior to 1959 are less precise than in recent years because of more limited survey coverage.
 - 3) Each day of holiday in a year taken as 8 hours or 0.1538 hours per week; and each week of vacation taken as 40 hours or 0.7692 hours per week.
 - 4) Method of calculating average vacation provisions is explained in section beginning on page 9.

One feature of this chart is that there is a substantial downward movement, taking the period as a whole, from about 45 hours per week in 1947 to just over 40 hours at the present time. Of course the typical week is exactly 40 hours, but the chart shows mathematical averages so fractional values appear rather than whole numbers. The second thing to notice about the chart is that it really breaks down into two parts with a fairly sharp downward slope in the first half, up to about 1956 or 1957, and from there on a much flatter slope. It appears almost flat just from visual inspection, but the chart is drawn free-hand, so to be more scientific it could be examined from a mathematical approach. Doing so it will be found that the data fit very well into the equation for an exponential curve, with a limiting value or asymptote of about 40. This means that if the curve were extended several years into the future it would not fall much below its present value. This is not a prediction of what is likely to happen but simply an expression of what an extension of these data would produce.

The question which must be posed now is whether the picture presented by the data can be reconciled with the quotations given earlier. On the one hand the data give a picture of relative stability in hours of work while on the other hand there is a widespread expectation of shorter hours.

There are three possible explanations or hypotheses which will be advanced in the next three sections of this paper to account for this apparent paradox. Each of the three seems to have some validity but none taken alone would be adequate.

A Change in Values

The first hypothesis is that there has been a change in values in the work force since the first half of the century. Perhaps social and economic values and preferences have changed in such a way that the typical worker today is interested in more income rather than more leisure.¹ As background to this idea it is useful to recall the economic concept of a leisure-income indifference curve.² Stated simply, it is the notion that, where labour productivity is high, the workers may (theoretically) enjoy high income or large amounts of leisure.³ So if productivity is higher today

¹"Leisure" is used here to mean "time away from work", and no inferences are made as to how leisure is used.

²This, and related concepts, are discussed in Chapter I of Labour Theory by R. Perlman, Wiley and Sons, N.Y., 1969.

³For the sake of simplicity it is assumed in this analysis that the entire benefit of high productivity does not go to profits.

than in the past, the workers individually and collectively have had a choice of reducing their hours of work or increasing their income or some combination of the two.

This concept has been discussed by various economists. One who mentioned it recently, but briefly, was Professor Paul Samuelson. Talking about the significance of the growth in technology and productive capacity he said, "It is fashionable today to decry the GNP as a materialistic indicator of frantic living and a source of pollution to the environment; yet we must render up to material progress the recognition that it does make possible the good life".¹ And from the context it is clear that the "good life" to which he refers would include substantial amounts of leisure because he also says that voluntary leisure should logically be included in measures of the GNP because it is one of the consumer goods on which income may be spent.

While the growth of productive capacity and material wealth makes possible a choice of more income or more leisure, it is impossible to know in advance what combination of the two will be chosen in any specified situation.

An apparent preference for more income rather than more leisure has been detected by various economists. One of the first to quantify this relationship was Professor Clark Kerr who concluded that over the course of the past century in the U.S. the proportionate changes in leisure and income had been about equal.² However, in the latter part of this period the ratio was about 60 to 40 in favour of income; and for the next two decades, looking ahead at the time Kerr wrote, he predicted an even stronger preference for income -- about 75 to 25.

Another report on the income-leisure ratio was made by Mr. Bernard Teriet, a German economist, in a paper he prepared for an O.E.C.D. conference in September, 1972. His conclusion is that "The same general rule has applied in recent decades in the case of various industrialized nations, i.e., that something like two-thirds of productivity gains are passed on to consumption in the form of increased wages, while the remaining third is then converted into leisure time."³ While this analysis relates to different time periods and different countries, the basic conclusion is similar to Kerr's that there has been a strong preference for income rather than leisure.

¹ Samuelson, Paul, in 4 days, 40 hours by R. Poor (editor) Cambridge, Mass., 1970, page 9.

² Kerr, Clark, Labour and Management in Industrial Society, Doubleday and Company, N.Y., 1964, page 207. (The chapter cited was originally written in 1958.)

³ Teriet, B., Distribution of Working Time, O.E.C.D., Paris, 1972, page 4.

Analysis of the leisure-income trade-off similar to that done by Kerr has not been done in Canada and it will not be undertaken in this report. However, the growth of output in Canadian industry is apparent in various sets of statistics. For instance, real domestic product increased on an index basis from 100 in 1961 to 167.6 in 1971 or by about two-thirds. In the same period the labour force increased from 6,521,000 to 8,631,000 so the output per worker rose by a little less than 25 per cent. What this means in terms of the income-leisure trade-off is that in 1971 the labour force could have worked substantially fewer hours and continued to produce at the 1961 per worker level. Instead the work force, considered as a whole, continued working almost the same standard hours and received substantially higher real income.

So both from the writings of well-known economists and from actual data it is clear that there has been some shift in values, over the years, and this accounts in part for the apparent discrepancy between the popular discussions of leisure and the fact that working hours are not showing much decline.

Other Forms of Reductions in Hours

A second possible explanation for the apparent lack of decline in standard hours in recent years may be that employees are indeed interested in more leisure but are taking their leisure in the form of paid absence such as statutory holidays and annual vacations rather than a reduction in weekly hours. Chart II (p. 11) and Table I (p. 6) show the growth of vacations during the period 1947 to 1972. Again it is for non-office employees in manufacturing. There is a steady but not a sharp increase from just over two weeks per year on average to just over three weeks.

It should be explained that these figures are not an actual measure of vacation received by various employees but rather they are an index of the entitlement provisions in the vacation plans of the employers. Most plans relate the amount of vacation to the length of service and since data on service are not available, it is only possible to deal with the provisions of the plans. As a matter of fact, however, this is consistent with the logic of using standard hours rather than actual hours.

A second technical note is required to explain how a single figure for each year is arrived at. The Working Conditions Survey, as with most other surveys of vacations, is published in the form of tables which identify the percentage of employees working in establishments where the vacation plan provides two weeks, three weeks, etc. For instance 90 per cent of the surveyed employees may be in establishments which provide

two weeks vacation (or more). The procedure was to multiply the percentage of employees by the amount of vacation provided and calculate a weighted average or index.¹

This method probably overstates the amount of vacation actually received by employees because in many establishments the long service employees, who receive longer vacations, are less numerous than short service employees.² However, when the same method is applied consistently over a period of years it will indicate the steady improvement of vacation plans as a fifth and even sixth week are added to more and more plans.

This index of vacation provisions falls short of an ideal measure in another respect, namely, it fails to reflect improvements in vacation plans which result from reductions in the service requirements for various levels of entitlement. In many plans the employee must accumulate several years of service before becoming eligible for maximum vacations. But if this eligibility requirement is reduced the change is not reflected in the index as calculated here although it certainly represents an improvement for the employees. This

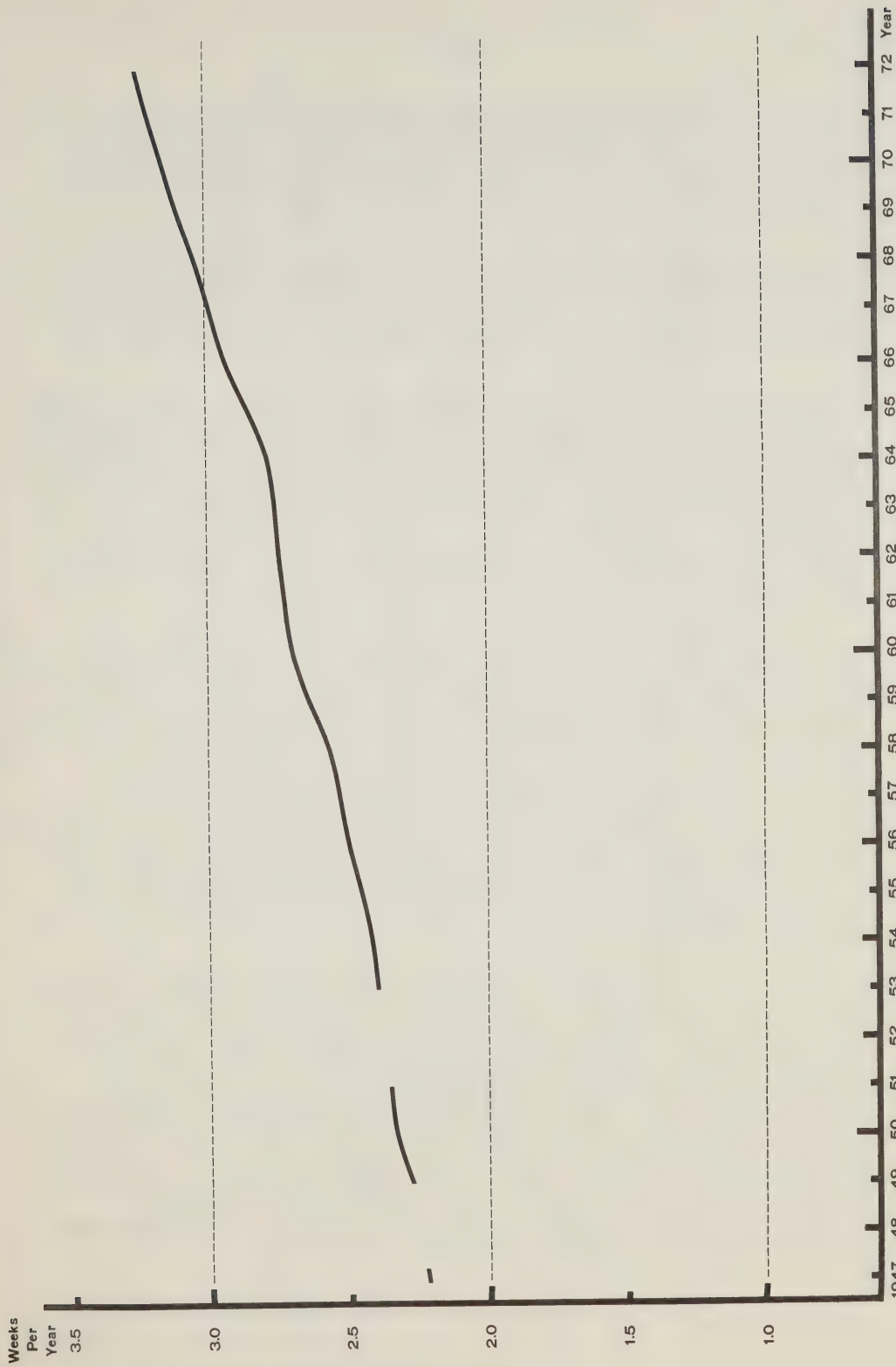
¹ A hypothetical example will illustrate the method. Assume that two weeks of vacation is mentioned in the plans of establishments which employ 90% of the work force. Assume that three weeks is also mentioned in 80% of these plans, and four or five weeks is mentioned in 60% and 20%. Calculate the average.

<u>Weeks of vacation mentioned in plan</u>	<u>% of employees in these establishments</u>	<u>1 x 2</u>
2	90	180
3	80	240
4	60	240
5	20	100
	<hr/> 250	<hr/> 760

The weighted average (index) of vacation stated in the plans is $760 \div 250 = 3.04$. In those establishments in that year the average employer commitment for vacations was 3.04 weeks per employee.

² To test the reliability of this estimate an alternative source was examined. A Labour Cost Survey for various industries has been conducted jointly by Statistics Canada and the Canada Department of Labour. In 1968 the survey covered manufacturing and found that vacation costs constituted 4.6% of payroll. This is equivalent to about 2.25 weeks of vacation actually taken by employees while the Working Conditions Survey based on provisions in plans (as calculated here) indicates three weeks.

Annual Vacations
Non-office Employees in Manufacturing
1947 to 1972



Sources: Canada Department of Labour, Working Conditions in Canadian Industry (various years) and Labour Gazette (various editions).

failure to detect certain improvements in vacation plans, coupled with the probable overstatement of entitlement, as described earlier, probably results in a curve (Chart II) that is slightly higher than it should be at all points but slopes upward less sharply than it should.

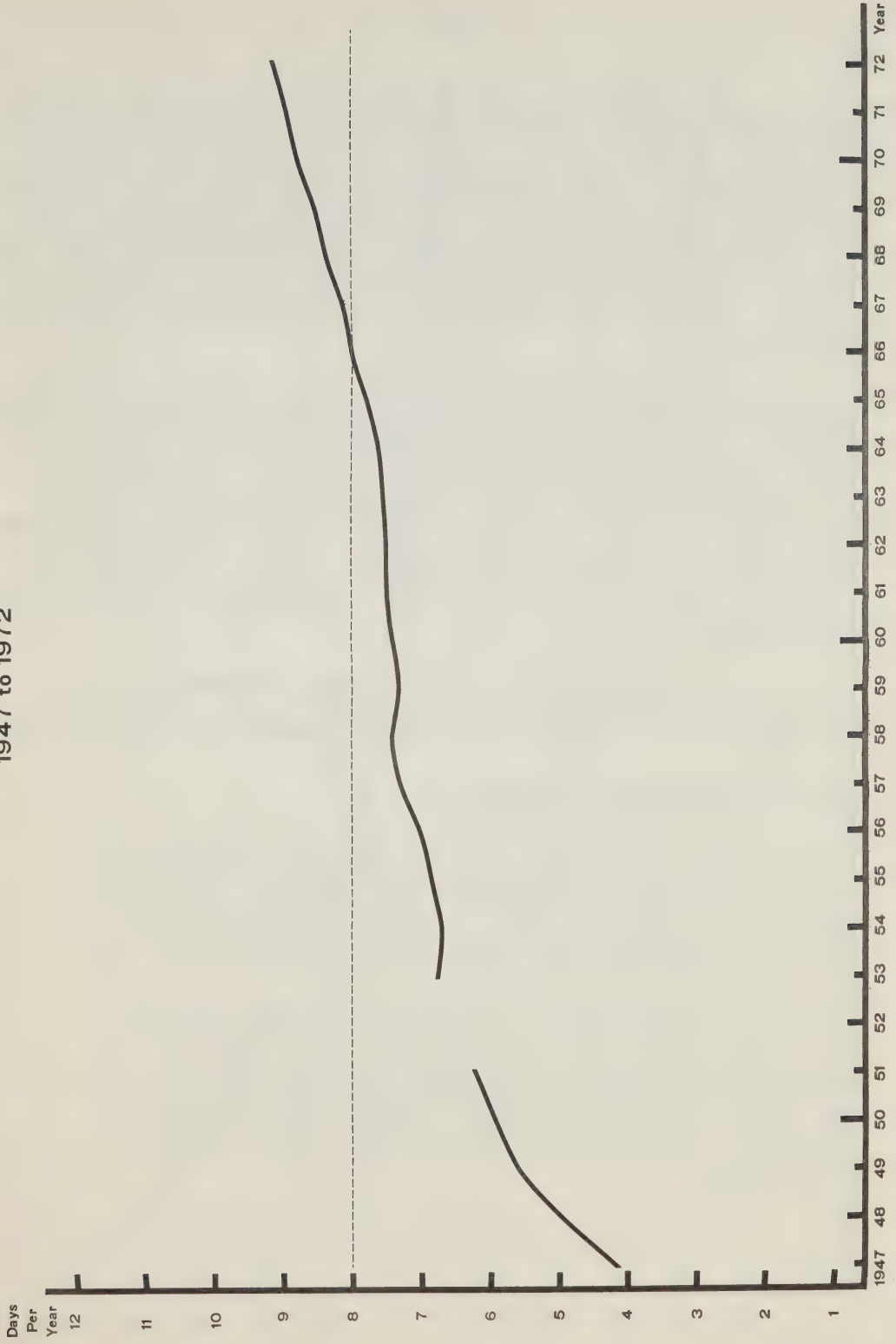
Another way of illustrating the improvement in vacation plans is to note that three weeks vacation, with less than 10 years of service, was available to only seven per cent of the non-office work force in 1962, but by 1972 68 per cent were eligible with less than 10 years service.

Chart III (p. 13) shows the number of paid holidays. The number increased from a little over four in 1947 to about nine in 1972. Throughout most of the period the increase was gradual as various companies added an additional day; going from six to seven, seven to eight, etc. However, in the first few years the rise in the number was much sharper. This is because some companies which previously did not pay for statutory holidays began to do so. In other words the zero paid holidays which in 1947 applied to about one-third of employees was only reported for about 5% by 1953.

The next step was to convert both holidays and vacations from days per year and weeks per year, respectively, to their equivalent in hours per week and subtract them from normal weekly hours to produce "net" weekly hours as shown in Chart IV (p. 15) and Table I (p. 6). The concept of net hours is meant to indicate the amount of time the employee is required to work in order to receive full pay. For greater accuracy it would be desirable to subtract certain other forms of paid absence, such as sick leave or leave for personal reasons, but the required data are not available. The Working Conditions Survey has covered several items in the past which could be considered "time away from work" but they are not surveyed regularly and not always in a form suitable for the present purposes.

In any case the chart of "net" weekly hours produces one interesting effect. It shows that working time has definitely decreased in recent years even where the original chart on normal hours appears to be almost flat. This tends to endorse the hypothesis that employees are seeking and achieving more leisure every year but the form of leisure is not always the same. The difference between normal hours and net hours has increased from a little over two hours per week to almost four hours per week because of the increase in vacations and holidays. If it had been possible to measure other forms of paid absence and include them in these calculations, the difference between standard hours and net hours would certainly be greater.

Paid Holidays Per Year **Non-office Employees in Manufacturing** **1947 to 1972**



As further evidence of employees' continuing interest in leisure but again emphasizing forms of leisure other than a reduction in weekly hours, it is interesting to look at recent collective bargaining settlements. The Collective Bargaining Division of the Canada Department of Labour publishes a monthly "Collective Bargaining Review" which gives the main features of major collective agreements negotiated in the preceding month and covering 500 or more employees. In the year 1972 there were some 334 settlements reported, (the figure is only approximate and the true total may be a little higher because a few of the reports could not be conveniently interpreted for the present purpose).

Out of the 334 settlements 82 per cent included some change in hours of work, in fact some had more than one change. However, only 10 per cent had a change in standard weekly hours. Almost two-thirds had an improvement in vacations, usually a reduction in service requirements or addition of a fifth week of vacation for long service employees. About one-third had an increase in paid holidays. Another item which appeared very frequently in the settlements was paid leave for the employee when there is a death in his immediate family. Although this provision exists in many collective agreements the actual usage of it may not be very great in comparison with other forms of paid absence.

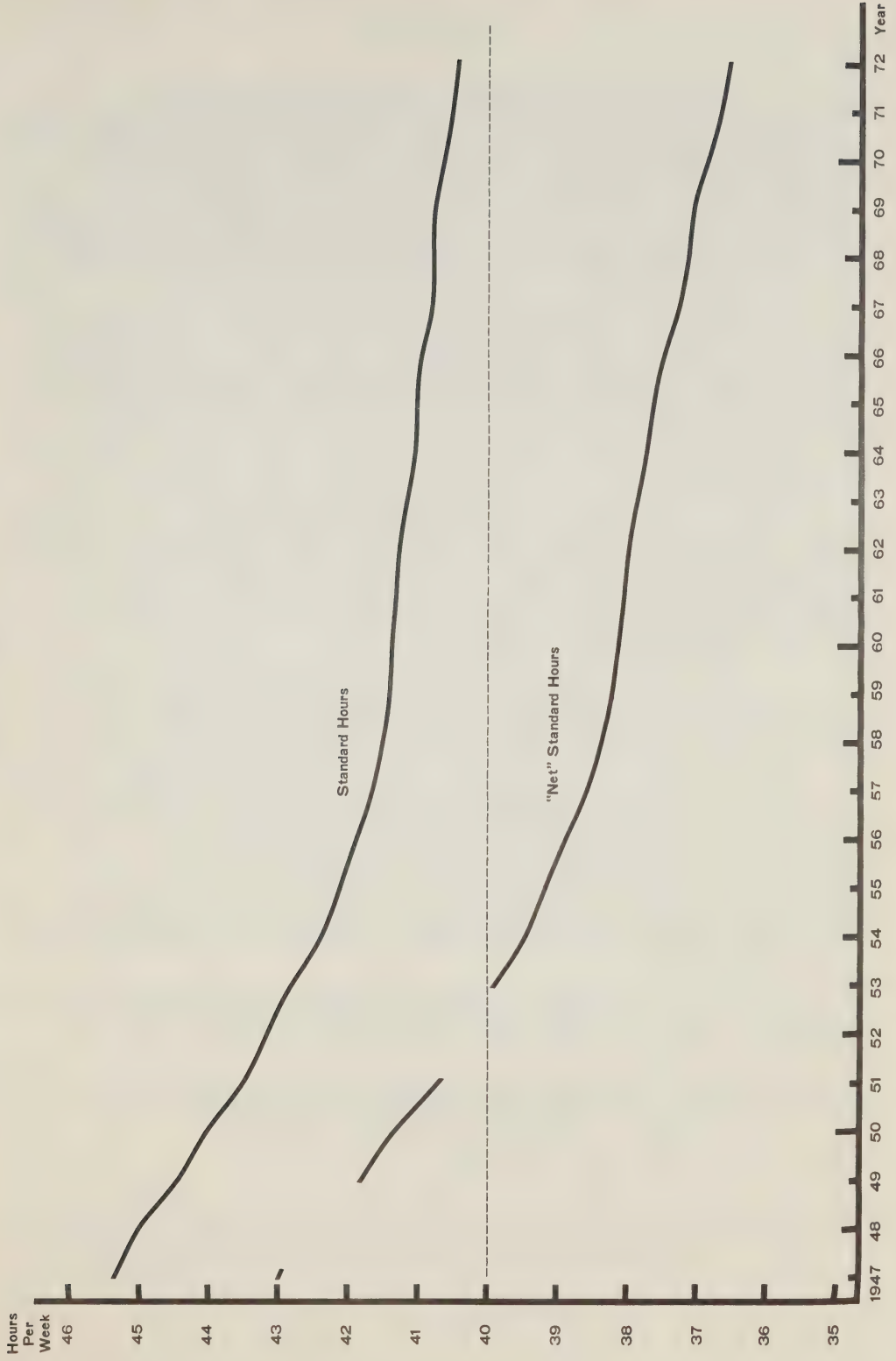
It seems safe to conclude that a diversion of attention to other forms of paid absence is one of the reasons for the relative stability of standard weekly hours in the past few years.

The Long Term Trend in Hours

The third possible explanation of the apparent stability of hours in the face of expected reductions may be that reductions are a long-term phenomenon and occur only at irregular intervals, so that the existence of a plateau at a certain point in time may not mean a real change in direction but only a momentary pause which will soon give way to another downward thrust.

Theoretically it would be a simple matter to test this hypothesis. All that would be needed would be a series of data over a much longer period than that represented in Chart I in order to see whether the recent pattern is unique or has been repeated several times in the past. In practice, however, this cannot be done adequately because of the lack of data over a sufficiently long period.

"Net"* Standard Hours Non-office Employees in Manufacturing 1947 to 1972



* "Net" hours means standard hours less vacations and holidays.

Sources: Canada Department of Labour, *Working Conditions in Canadian Industry* (various years) and *Labour Gazette* (various editions).

An attempt was made a few years ago in the Economics and Research Branch to develop a series of data on hours of work as far back as 1900. The results were not¹ considered sufficiently reliable to warrant publication, but the data, indicate that hours of work decreased substantially in the period 1900 to 1920. From 1920 to 1945 there was less change with a 48-hour week being typical until the end of World War II when again the pattern changed and the 40-hour week became the predominant practice.

Although Canadian data are inadequate to provide firm proof of this apparent step pattern, it is relevant to refer to the experience in England. A recent study² found that, over the period 1850 to the present, hours of work decreased from 60 to 40 and nearly all of the reduction occurred in four brief periods of one to three years each. The periods were 1871, 1919, 1948, 1964. The author then seeks an explanation for this irregular pattern and concludes that each of these periods of change was characterized by a blend of economic forces which distinguished it from the intervening years. The main element was that they were prosperous years with labour income rising in both real and money terms, but at the same time there was a strong fear of impending unemployment because of "trade cycles", post-war demobilization, or technological change.

The irregularity of the downward movement of hours was also noted by Kerr who said, "Hours of work are a kind of convention of the market place and changes in the normal practice, as with many customs, tend to come in spurts."³

Mention of "customs" and "conventions" leads to consideration to two additional but related concepts. One is "pattern following" and the other may be referred to as the "dynamics of fringe benefits". Pattern following is simply the concept that changes in wages or fringe benefits which are adopted in one company or one industry have some "spillover" effect on certain other companies or industries.⁴

¹ A report entitled Hours of Work in Canada - An Historical Series was published but the figures on standard hours go back only as far as 1945.

² Bienfeld, M.A., Working Hours in British Industry, London School of Economics Research Monograph (1972).

³ Kerr, Clark, op. cit., p. 208.

⁴ The nature and extent of this pattern following in Canadian manufacturing industries is the subject of a current research project in the Wages Research Division, Canada Department of Labour.

To answer the question whether there are, today, some leaders in terms of reduced hours of work who might be followed tomorrow by other industries, Table II (pp. 17-19) has been prepared. It shows the percentage of non-office employees in each industry who work in establishments where standard hours are less than 40. By using only those below 40 hours rather than the average for all employees in each industry it is possible to focus on the leading edge of the trend which provides a more sensitive indicator. In this table, unlike the other tables and charts in this report, there are some figures included for industries outside the manufacturing sector. This is done because it seems plausible (pending further research) that the spillover effect may operate throughout the entire economy.

Table II

Hours of Work by Industry - 1971

	% of non-office employees on standard week of less than 40 hrs.
All Industry	8
Logging	-
Logging, Eastern Canada	-
Logging, B.C.	-
Mining	1
Gold Mines	-
Iron Mines	-
Other Metal Mines	-
Coal Mines	-
All Manufacturing	5
Slaughter & Meat Processing	-
Dairy Factories	2
Fish Products	4
Grain Mill Products	-
Biscuits	3
Bakeries	11
Confectionery	1
Soft Drinks	1
Breweries	11
Tobacco Products	94
Rubber Footwear	-
Rubber Tires & Tubes	-

% of non-office employees
on standard week of less
than 40 hrs.

Other Rubber Products	3
Leather Tanneries	-
Shoe Factories	2
Cotton yarn & cloth	NA
Wollen Yarn & Cloth	-
Synthetic Textiles	-
Hosiery & Knitted Goods	-
Men's Clothing	5
Women's Clothing	65
Children's Clothing	28
Fur Goods	100
Saw & Planing Mills	1
Veneer & Plywood Mills	-
Sash Door & Floor Mills	3
House & Office Furniture	-
Pulp	-
Newsprint	-
Other Pulp & Paper	3
Paper Boxes & Bags	1
Newspapers	87
Printing & Publishing	63
Iron & Steel Mills	-
Iron Foundries	-
Smelting & Refining	-
Boiler & Plate Works	4
Structural Metal	1
Ornamental & Architectural Metal	1
Metal Stamping & Pressing	-
Wire & Wire Products	-
Heating Equipment	2
Machine Shops	1
Agricultural Implements	5
Misc. Machinery & Equipment	2
Office & Store Machinery	8
Aircraft & Parts	-
Motor Vehicles	-
Motor Vehicle Parts	2
RR Rolling Stock	-
Shipbuilding & Repair	-
Small Electrical Appliances	1
Major Appliances	-
Household Radio & TV Receivers	1
Communications Equipment	5
Electrical Industrial Equipment	-
Clay Products	5

	% of non-office employees on standard week of less than 40 hrs.
<hr/>	
Glass Products	-
Petroleum Refineries	-
Pharmaceuticals, Medicines, Etc.	20
Paint & Varnish	4
Industrial Chemicals	-
Transportation, Communication, Etc.	6
Air Transport	17
Water Transport	4
Stevedoring	2
Railway Transport	-
Truck Transport	2
Bus Transport	4
Urban Transit Systems	-
Grain Elevators	1
Radio & TV Broadcasting	14
Telephone Systems	16
Electric Power	8
Trade	9
Wholesale Trade	9
Retail Food Stores	-
Motor Vehicle Repairs	1
Retail Trade, Other	10
Finance	22
Service	20
Hospitals	43
Laundries & Cleaners	4
Hotels, 200 employees or more	-
Hotels, Under 200 employees	2
Restaurants	7
Public Administration	5

Source: Based on Working Conditions in Canadian Industry,
Canada Department of Labour, 1971.

It will be noted that in manufacturing only five per cent of employees have standard hours of less than 40. However, for several specific industries within manufacturing, as well as for some outside manufacturing the percentage is much higher, e.g., tobacco products 94 per cent, printing and publishing 63 per cent, hospitals 43 per cent, finance 22 per cent. While differences in industry characteristics make it risky to assume that the pattern in one will be followed in another, it is nevertheless a possibility which deserves consideration.

The practice of following the leader can also be assumed to have some relevance in the area of paid absence. For instance, the most common number of paid holidays is nine per year, and this has been true since 1969. However, during the brief period 1969 to 1972 the percentage exceeding nine has more than doubled from 20 per cent to 43 per cent and it is significant that improvements have occurred in some prominent industries such as automobile manufacturing and railways. Similarly five weeks of annual vacation, although not a majority practice, is now in the stated policy of establishments employing 40 per cent of the work force compared with 20 per cent in 1969. This would suggest that average entitlement is increasing not simply because the poorest plans are catching up but also because the leaders are continuing to move ahead with more generous provisions. If this interpretation is correct it implies that the downward movement in hours will continue despite brief interludes of apparent stability.

The concept of a dynamic process in the growth of fringe benefits is discussed in a book, entitled Fringe Benefits: Wages or Social Obligation.¹ The author, D. Allen, distinguishes three phases in the introduction of a fringe benefit. The phases may sometimes overlap but it is useful for analysis to think of them separately. The first phase is the introduction of the benefit usually in isolated cases at a low level of entitlement, and numerous restrictions or qualifications may be accepted by the union (or employees) in order to establish the principle. The second phase is to raise the level of benefit and finally the third phase is to remove the restrictions and recognize the benefit as a right of all employees. When this happens the original connotation of a "fringe" benefit as an "extra" beyond what is generally

¹ Allen, D., Fringe Benefits: Wages or Social Obligation, Cornell University, 1964.

available is hardly valid.¹ In fact many job vacancy advertisements today offer "the usual fringe benefits" or a similar phrase implying that there are some standard items which all employers provide. In some cases a fourth phase not mentioned in Allen's book can be identified where the benefit, after becoming a widespread practice, passes into legislation. Because of this dynamic process, arising out of the social-economic nature of fringe benefits and illustrated in part by the phenomenon of pattern-following, it would be logical to anticipate further reductions in working time.

Three possible explanations have been presented for the apparent stability of standard weekly hours in the face of widespread speculation about greatly increased leisure. First, a change in values has resulted in employees placing greater emphasis on increases in income. Second, employees are enjoying paid absence from work in forms other than a reduction in weekly hours. Third, the apparent stability of hours in the past few years may be deceptive because changes in hours are a long-run phenomenon which cannot be reliably read from the data for very short periods. The evidence suggests that each of these hypotheses is true in part, but none of them would justify a conclusion that standard weekly hours will not decline in future. On the contrary, because these hypotheses only account for a partial or temporary interruption in the downward movement of standard hours, it can be inferred that further significant declines will be seen in the next few years.

¹The term "fringe issues" was apparently used first by the War Labor Board (U.S.) which defined them as "miscellaneous adjustments, mainly related to working conditions, which directly or indirectly affect employees' compensation and which are normally designed to meet a special situation or problem within a company or industry." Quoted by Randle, W.C., in Collective Bargaining Principles and Practices, Houghton Mifflin Co., Boston, 1951, page 314.

PATTERNS OF WORKING TIME

Compressed Work Week

Although standard weekly hours is perhaps the best single measure of trends in hours of work it is important, also, to look at some features of the distribution of those hours. One relatively new phenomenon is the compressed work week where the total weekly hours are worked in less than the usual five days. It has been argued, on one hand, that adoption of a four-day week with ten-hour days will lead quickly and inevitably to a four-day week with eight-hour days.¹ On the other hand, it has been argued, especially by union spokesmen, that any adoption of a ten-hour day would be a reversal of the downward trend in hours which labour has fought for over the years.²

The compressed work week has been a lively topic of discussion only since 1970. Prior to that there had been some discussion of a four-day week. For example, in the 1950's Walter Reuther, then president of the United Auto Workers, had announced the four-day week as one of the goals of collective bargaining. It is clear, however, that Reuther and others were thinking of four days of eight hours rather than four days of 10 hours because the main argument they used in favour of the four-day week was that it would solve the unemployment problem by spreading the available work among more workers. Of course the compressed week, where total hours remain the same, would have little or no effect on the level of unemployment.

Perhaps the best date, or event, to use as the beginning of interest in the compressed work week was the publication of a book by Riva Poor in the fall of 1970.³ Mrs. Poor was both author and editor because she included several chapters written by other people. The significance of her book was that it provided grounds for discussion of a wide variety of aspects of the compressed work week and it

¹"Can the Four-Day Week Work" in Dun's Review, July 1971.

²Testimony of Rudolf Oswald (AFL-CIO) and others, before U.S. Department of Labor, September 1971. Published by U.S. Government Printing Office, Washington, D.C.

³Poor, Riva, 4 days, 40 hours, Cambridge, Mass., 1970.

also provided some statistics for the first time. Unfortunately, the statistics were based on a very small sample of companies, and it cannot be assumed that they were necessarily representative of all experience with the four-day week.

Experiments with a compressed work week in the United States were followed quickly by a few experiments in Canada although the numbers involved were much smaller. A significant indication of Canadian interest in the compressed work week was the appointment of Mr. Harris S. Johnstone, in 1972, as a Commission of Inquiry to consider proposed changes in the Canada Labour Code.

The Canada Labour Code, Part III requires payment at overtime rates, in industries under federal jurisdiction in labour matters, for work beyond eight hours in a day or 40 hours in a week. There can be exceptions where the employer is given permission to "average" his hours over a period of several weeks. An alternative procedure is for the employers to ask for a regulation from the Minister to exempt them from this particular overtime clause. During the winter of 1971-72 five employers under federal jurisdiction asked for such an exemption and hence the Commission was set up to examine two questions: 1. whether these five employers should be granted exemptions by means of a regulation, and 2. whether the code should be amended so that individual applications in future would be unnecessary, or could be dealt with more easily. After hearing evidence from various parties Mr. Johnstone recommended that the five applicants be granted part of their request. He would allow a day of 10 hours rather than eight without overtime but he would not allow 12 hours, which some of the applicants had requested, and he recommended certain other restrictions. On the second question, that of amending the Code, he was in favour but suggested the best technique for doing so would be to enlarge the concept of averaging which now applies in very limited situations. The Commission, of course, only had power to recommend and up to the present no legislation to amend the Code has been introduced. The Minister of Labour has indicated that further study is needed on some aspects of the question.

Introduction of a compressed work week in industries under provincial jurisdiction requires a permit from the provincial department of labour (or other regulatory authority) in some provinces if overtime payment is to be avoided.¹ In other provinces there is no significant legislative impediment

¹The provinces in which a permit is required are Ontario, Manitoba, Saskatchewan, Alberta, British Columbia. The requirements for a permit are not identical in each province because there are differences in "standard hours" and other elements of their respective labour codes.

to the introduction of a compressed work week. With this background the question to consider is the extent of the adoption of the compressed work week and the effect it may have on the reduction in total hours.

A complete census of the compressed work week in Canada is not available. A figure of 40 companies was used by one writer in March 1972;¹ whereas in May 1973 a figure of 233 was being discussed but was not claimed to be precise.² While even the latter figure is small relative to the total Canadian economy, and the employees involved are less than one per cent of the Canadian labour force, it nevertheless indicates a significant interest in this new phenomenon.

The question was raised, earlier, whether introduction of the compressed work week contributes to or impedes the long-term trend toward shorter standard hours. A definitive answer cannot be given at this point in time but there is some reason to believe the overall effect will be to encourage a reduction in hours.

It has been pointed out already that hours of work move downward at an irregular pace and may show no noticeable change for periods of several years. Recent experimentation with compressed hours has had the effect of focusing attention on the fact that standard hours have changed little in the past few years, and is forcing both employers and employees consciously to adopt a specified pattern of hours rather than simply continuing to use a pattern inherited from the past or copied from neighbours. A quotation from Paul Samuelson is relevant on this point: "As an economist, I find most interesting about the four-day week pattern the fact that it offers new variety of choice in an area where modern man has had the fewest personal options..."³

¹ Sanderson, George, "A report on the four-day week" in Labour Gazette, March 1972.

² Compressed Work Week and its Implications, a "background paper" prepared for the Conference of Ministers of Labour at Ottawa, May 2-3, 1973.

³ Quoted from Monthly Labor Review, Washington, Oct. 1971.

One final comment on the relationship between patterns in working time and reductions in hours is that the compressed work week appears to have more appeal where the weekly hours are already relatively short, and the new pattern will not require excessively long days. For instance the background data submitted to the Ministers' conference (previously referred to) indicate that almost half of the establishments using a compressed week work less than 40 hours, whereas a week of less than 40 hours applies to only a very small percentage of all establishments in Canada. It will be recalled (Table II, pp. 17-19) that one of the industries which has a substantial proportion of its work force working less than 40 hours is printing and publishing. It is perhaps not a coincidence that printing and publishing has also been a leader in adopting a compressed work week. This notion could be extended further by hypothesizing that the relatively greater appeal of flexible hours in Europe, rather than a compressed week, may be accounted for in part by the fact that in most European countries the standard work week exceeds 40 hours,¹ and thus compression into four days would result in very long days.

In summary, introduction of a compressed work week may presage a reduction in weekly hours but it is equally true that reductions in weekly hours make the compressed week more feasible. The hypothesis that adoption of a compressed work week will prevent a reduction in standard hours does not appear valid except in reference to very short time periods.

Flexible Hours of Work

At the same time that the compressed work week was being introduced and discussed in North America another innovation was being tried in Europe, namely, the flexible work week or "flexitime". Under this system (as with the compressed week) there is usually no change in total hours of work but rather the hours are rearranged. The basic concept is that the employee chooses his own starting and quitting time provided he puts in the required total number

¹ A study entitled "Picture, Country by Country, and Branch by Branch of the Actual Duration of Time Worked" prepared by D. Maric for the O.E.C.D. conference on "New Patterns for Working Time" in 1972 found 42-44 hours to be most common. Only the U.K. is predominantly on a 40-hour week and some (Spain and Portugal) are still at 48 hours.

of hours. In some cases the requirement is stated in daily hours, for instance, eight hours every day. In other cases the weekly total is stated but the days may vary, and in still other cases the specified total is based on an even longer period so that employees can use a banking system to accumulate credits or deficits of hours which are only liquidated on a quarterly or annual basis.

The best time period to be used as a base in any situation will depend upon a balancing of two considerations. First, from the employee's point of view the more flexibility the better; and a longer time period permits greater flexibility. But from the employer's point of view more flexibility makes work scheduling and supervision more difficult. Usually a core period each day is fixed when all employees are expected to be present, and flexibility is therefore confined to the hours before and after the core period. Obviously, there are limits to the amount of flexibility which can be permitted in some operations, such as on an assembly line, where the work of one employee is regulated by other employees or by machines.

There has been little experience with flexible hours, in Canada, on which to base a judgment as to the eventual spread of this system or its success or failure. Members of the labour force who are self-employed, as well as some professional and managerial employees, already have a degree of flexibility in their work timetable but this hardly qualifies as "flexitime" as the term is generally understood.

One advantage claimed for flexible hours, as against a compressed week, is that the former has the possibility of satisfying a higher percentage of the work force and thus contributing to improved morale and, presumably, improved productivity. A compressed work week is usually adopted on the basis of majority vote but there may be a significant minority who dislike it. On the other hand when a flexitime plan is introduced those who prefer to continue working the same hours as before are free to do so.

Since the introduction of flexitime does not change the number of hours of work, it may not affect the long-term trends in work and leisure. On the other hand, the fact that flexible schedules are being discussed gives occasion to review current hours of work. Employees, in general, are becoming more aware of alternatives which may

deserve consideration and employers are required to review practices which may have existed for many years. One novel suggestion, put forward by Mr. Gosta Rehn¹ formerly of the O.E.C.D. Directorate for Manpower and Social Affairs, is to provide a "fund" of leisure on which the employee would have "drawing rights" and could choose whatever form of paid absence best fits his individual needs, e.g., vacations, educational leave, sick leave, early retirement.

In summary, recent experimentation with flexible work weeks indicates a lively interest in the question of hours of work and, indirectly, will likely reinforce the trend towards shorter hours rather than being viewed as a substitute for shorter hours.

Multiple Jobholding

The practice of holding more than one job at the same time, often called "moonlighting", is by no means a new phenomenon but has received increasing attention in recent years. It is generally believed that the amount of moonlighting increases when hours of work on the primary job are relatively short. It is generally believed, also, that moonlighting has the undesirable effect of absorbing employment opportunities and making the attainment of full employment more difficult.

If hours of work have been significantly reduced, or are about to be, and there is a corresponding increase in multiple jobholding, it would provide strong evidence that employees are seeking additional income in preference to leisure. Data on multiple jobholding are not very plentiful but the Labour Force Survey conducted monthly by Statistics Canada has, from time to time, included questions of multiple jobholding. The latest data² indicate that 3.0 percent of the Canadian labour force were multiple jobholders in June 1972. The earliest data from this source were collected in October 1960 when the multiple jobholding rate

¹Rehn G., Prospective View on Patterns of Working Time, O.E.C.D., Paris, 1972.

²The Labour Force, Statistics Canada, July 1972 (Catalogue No. 71-001).

was 3.2 per cent of the labour force. Results from several surveys in the intervening years ranged from 2.2 per cent to 3.1 per cent indicating relatively small absolute change although the use of different samples, different seasons of the year and different definitions make precise comparisons risky.¹

Analysis of the survey results reveals some interesting aspects of moonlighting. It is more frequently practised by male employees than by female; more often by married men than unmarried; more often within the age group 25-54 than by younger or older employees. Another significant finding is that workers who are self-employed have a higher rate of multiple jobholding than do wage and salary earners. The 1961 survey found 56 per cent of moonlighters were self-employed on either their primary or secondary job. The 1967 survey found only five per cent of moonlight jobs were full time (that is, an employee holding two full-time jobs), and the 1961 survey reports the average (median) time spent on a second job was only 11 hours per week. Among various types of industry it was agriculture which had the highest proportion of moonlighters. An interesting finding of the 1967 survey was that there is no simple relationship between hours of work on the primary job and probability of the worker holding a second job. The moonlighting rate was high for employees working less than 35 hours on their primary job, but from 35 hours up to 44 hours the rate of moonlighting increased with longer hours. Over 44 hours the moonlighting rate again declines. The Canadian survey results are endorsed, to some degree, by a U.S. survey in May 1971.² The survey found the rate of multiple jobholding was somewhat higher than in Canada (5.1 per cent) but many of the characteristics were similar. About one-third of the moonlighters were self-employed in their second job, and among those who worked for other employers many were in agriculture, retail sales or service industries. The most likely explanation for the predominance of these particular industries is the fact that they offer the possibility of work on a part-time basis and/or with irregular hours.

¹ An analysis of these surveys appeared in Workers with Long Hours by N.K. Tandan (Catalogue No. 71-518).

² Published in Monthly Labour Review, Washington, D.C., October 1971.

Another source of data which is worth noting is a study of multiple jobholding in Akron, Ohio in 1963.¹ The study was very detailed and included personal interviews with some 700 employees. Akron was chosen because the rubber industry, including several major companies, had adopted a 36-hour week and it was widely believed that moonlighting was prevalent. Union leaders in particular were concerned about this although they had been in favour of the 36-hour week. The study did in fact find that workers on a 36-hour week had a higher rate of multiple jobholding than workers on the normal 40-hour week. However, about half the moonlighters were self-employed in the second job and when moonlighting was defined only as "working for a wage for two employers" the results were inconclusive with the "short hours" sample having a higher moonlighting rate than one control group but not significantly higher than the other (outside the rubber industry). The study also found that the rate of moonlighting was inversely related to level of income, on the primary job, and directly related to the size of family.

As a final point on multiple jobholding, the question may be asked whether the spread of the compressed work week and flexible hours would cause an increase in this practice. There is no systematic evidence available to answer this question. However, opinions have been expressed by various employees and company officials who are involved in experiments with new patterns of working time. The majority feel that there is (or would be) some increase in moonlighting but that the increase may not be very great. The logic of this conclusion is that the strongest appeal of the new work patterns, for most employees, is the prospect of more usable leisure time and it would defeat the purpose if the employee took a second job. Furthermore, the new work schedule involves long daily hours and, again, this would argue against seeking additional employment. It must be recognized, nevertheless, that adoption of a system of flexible working hours would facilitate multiple jobholding for those employees who want to engage in this practice. When the Inquiry Commission on the modified work week held its hearings in 1972 the Commissioner asked some of the witnesses whether they would anticipate an increase in moonlighting if compressed work weeks were introduced. Typical of the replies was that of the Canadian Labour Congress which the Commissioner summarized as, "The Congress believes that the compressed work

¹Deiter, J.C., Multijobholding and the Short Workweek Issue, (Western Reserve University, PhD Thesis 1965) Published by University Microfilms Inc., Ann Arbor, Michigan.

week affords the opportunity for increased moonlighting, but cannot say whether it will actually increase."¹

The conclusion to be reached on the question of multiple jobholding, on the basis of available statistics, is that a reduction in normal working hours on the primary job tends to lead to an increase in the rate of multiple jobholding, and some reduction in the employment opportunities available to the unemployed. However, the extent of both of these tendencies may be less than is generally believed.

John Deiter, in the study already mentioned, reported that the multiple jobholding rate among Akron rubber workers on short hours had been variously estimated at from 30 per cent to 50 per cent but when he obtained empirical data, from two sources, they indicated 25 per cent and 29 per cent respectively. Also, the Canadian labour force data for 1967 were inconclusive on the relationship between length of work week and rate of dual employment even though a direct relationship would seem obvious on an a priori basis. On the other hand, several studies have found a direct relationship between the rate of moonlighting and certain characteristics of the worker or his job such as age, marital status, income level, type of industry and occupational class. Without denying the relationship between length of work week and rate of multiple jobholding, it seems clear that the worker's need for supplementary income, and the availability of appropriate secondary jobs, are also very important determinants of multiple jobholding. It does not appear likely that an upsurge in multiple jobholding is offsetting, to any great extent, the increase in leisure implied in the reduction of the work week. In view of the increasing numbers of women in the labour force, it is worth pointing out that the rate of multiple jobholding for women is less than for men; and the rate for men whose wives are working is very low.

On the question whether multiple jobholding by part of the labour force prevents other individuals from finding jobs, there is also reason to think the effect may be less than is sometimes assumed. The reason is that the second job taken by a moonlighter is often one that would not be available to, or not wanted by, other members of the labour force. Many of them involve self-employment and the vast majority are part-time jobs.

¹ Report of the Commission of Inquiry, H.S. Johnstone, Commissioner, Ottawa, p. 26.

Overtime

A report on trends in hours of work would not be complete without some discussion of overtime. This report has focused mainly on standard weekly hours which, by definition, exclude overtime, so the aspect of overtime which is most pertinent is its relationship to varying standard hours and the question whether there has been a trend to more or less overtime which might accentuate or offset the decline in standard hours.

Statistics Canada asked questions about overtime in their Labour Force Survey of June 1967¹ and one of the interesting findings was the following. Where the usual hours of work are 40 or less the percentage of employees who worked some overtime in the survey week was 9.7 per cent. Where the normal hours were 41-48 the percentage working overtime was 15.5 per cent. Where normal hours were over 48 the percentage working overtime was 17.2 per cent. This seems to suggest, at first glance that employees who have the longest normal hours are the most likely to work overtime; which is the opposite of what might have been expected. It must be remembered, however, that the pattern of overtime is not entirely a matter of employee preference but also reflects the level of business activity in various sectors of the economy and in some cases the nature of the work.

For overtime, as for multiple jobholding, the employees most often involved are married men in the age groups most likely to have young children. While this may suggest an economic motivation for working overtime, it is significant that many workers do not receive premium pay for overtime work. In fact the 1967 survey indicates only about 52 per cent do. Analysis of collective agreements reveals that they nearly always provide for premium pay for overtime, so the relatively low percentage appearing in the 1967 survey suggests that premium rates are less common where employees are not organized and, of course, this would include most managerial employees.

The extent to which employees are willing to work overtime would give some indication of how highly they value leisure time. Unfortunately, this is not an easy factor to measure. In the first place, overtime is not usually worked at the discretion of employees but rather at the request of management. This question of voluntary overtime was a major

¹Analysis of this survey is found in the report by N.K. Tandan, previously cited.

issue in the negotiations between the U.A.W. and the automobile companies in 1973 and it was resolved by an agreement that hours in excess of eight per shift shall be voluntary (except in a few specified situations). The fact that the union is opposed to compulsory overtime is not necessarily evidence that employees prefer leisure rather than additional earnings even at premium rates but rather that they want the right to refuse overtime work. Another consideration, is that unions have traditionally argued against overtime on the grounds that it reduces employment opportunities.¹ It is conceivable that the official views of unions may diverge somewhat from the view of the individual employee who has the opportunity to supplement his income by working a few extra hours from time to time.

One of the interesting questions about overtime relates to the employer's use of overtime work as an alternative to hiring additional staff when the workload increases; the so-called "fringe barrier" hypothesis. Several authors who have examined this proposition in recent years conclude that the deterrent, or penalty effect of premium rates is being diminished or offset by the fact that there are substantial costs incurred by hiring new employees. Walter Oi, one of the first to deal with the subject, emphasizes the cost of recruitment and training.² Ronald Ehrenberg uses an econometric approach to examine the relationship between overtime and fringe benefits and concludes, "What most strikingly emerges, however, is a confirmation of our principal hypothesis; in the vast majority of both the manufacturing and nonmanufacturing industries the observed annual overtime hours per man are significantly positively related to the ratio of weekly fixed labour costs per man to the overtime premium wage."³

No similar research has yet been undertaken in Canada; but in the course of other research,⁴ which required contact with a number of major employers, comments were heard more than once to the effect that "with fringe benefits at

¹This view, and its corollary that overtime rates are demanded in order to discourage use of overtime, are discussed in C.W. Randle, op. cit., page 296.

²Oi, W., "Labour as a Quasi-Fixed Factor", Journal of Political Economy, 1962.

³Ehrenberg, R., Fringe Benefits and Overtime Behavior, University of Massachusetts, 1971, p. 101.

⁴In 1973 the Canada Department of Labour initiated a brief study of "Changes in Compensation Systems", (unpublished).

their present level it is cheaper to use overtime". The logic of this policy is that most fringe benefit costs do not increase when overtime is used, but would be increased by use of additional employees. In effect, the growth of fringe benefits is changing labour cost from an "operating" cost (which varies directly with hours worked) to an "overhead" cost (which is relatively constant when hours increase or decrease). To the extent that this transformation in the nature of labour costs is occurring (and is recognized), it would be expected to stiffen the employer's resistance to the long-term trend towards reduction in the employees' hours of work.

SUMMARY AND CONCLUSION

A study of hours of work can be undertaken with various purposes in mind. It may be to identify the inter-industry and inter-regional structure of hours,¹ or to explain how the pattern of hours is established. Another aspect is the potential effects at the macro-economic level of changes in hours.² Again the "time budget" approach may be used to determine in detail how many hours a person spends in each of the many activities which fill his day.³ While each of these approaches has some merit, they are not the approach used in this report.

This report has presented data which illustrate the actual changes in hours of work. It was found that bare statistics on standard weekly hours are not an adequate measure of the time an employee is normally required to spend at work. When "net" hours are calculated, the statistics reveal that there has been a continuous downward movement from 1947 to 1972 but the decline has been a little less rapid in the latter half of the period.

To determine whether further reductions are likely in the immediate future, it is necessary to examine some of the factors which have contributed to the trend up to the present. The basic economic development which makes possible a reduction in working hours is the growth in productivity. This does not involve any moral judgment as to whether labour "deserves" a reward for increasing productivity but rather is simply a reflection of the fact that fewer hours of work are necessary for the same output when productivity is higher. Statistics for Canada (as well as for other industrialized nations) leave no doubt that productivity has been increasing, and the increase is expected to continue. Hence, the potential will exist for further reductions in hours.

The extent to which the labour force will opt for shorter hours rather than more income cannot be predicted precisely. In the recent past there has been interest in both, with income apparently receiving a somewhat higher

¹ Dymond, W.R. and Saunders, G., "Hours of Work in Canada", in Hours of Work, Dankert, C.E. (Ed.), New York, 1965.

² Levitan, S.A., Reducing Worktime as a Means to Combat Unemployment, Upjohn Institute for Employment Research, 1964.

³ De Grazia, S., Of Time, Work and Leisure, Twentieth Century Fund, 1962.

priority than leisure. There seems to be no reason to expect a dramatic change in this picture. There has been some speculation about a deterioration of the "work ethic" and this may serve to focus attention on more leisure or different patterns of leisure but the pursuit of material well-being still ranks high as a goal for most people.

The steady but unspectacular reduction in working time is well illustrated by the growth of paid absence in the form of annual vacations and "statutory" holidays. Vacations and holidays have become almost universal practices in Canadian industry but their importance continues to increase because of changes in the level of entitlement. In addition, various other forms of paid absence are becoming more common. Practices such as paid "personal" leave or paid educational leave may not represent more "leisure" in the usual meaning of the term but they contribute directly to a lessening of the time which an employee is required to spend at his place of work.

A further indication of interest in hours of work is the recent wave of experiments with the compressed work week and flexible work schedules. These could perhaps be viewed as a compromise between labour's desire for more leisure and management's reluctance to reduce hours of work. In most cases these experiments do not change the total hours but give the employees more usable "blocks" of leisure. It is reasonable to expect that these developments will become more widespread as hours decrease and in turn will contribute to the decrease in hours.

Overtime work and multiple jobholding may be viewed as the opposite of a short work week. Where they are common they tend to suggest that employees have a high preference for additional income rather than leisure. A directly proportionate relationship cannot be assumed, however, because the employee does not always have a free choice in accepting (or seeking) such additional hours of work. Evidence suggests that a reduction in standard hours of work does indeed cause, or at least facilitate, an increase in moonlighting and overtime work, but only to a very limited extent. Other factors appear to be more important in determining the prevalence of these practices.

The long-term trend in hours of work has been downward. It seems clear that the basic trend is continuing and that the 40-hour week, which has been the prevalent practice for the past several years, is not a permanent feature of the economic system. The expectation of further

reductions in hours is strengthened by the fact that hours are being reduced in other countries. Canada and the United States have traditionally had a shorter work week than many other countries. As the others move down to the 40-hour week,¹ it becomes possible (though not necessarily desirable) for Canada and the United States to move below the 40-hour level without altering their present position relative to hours of work in other countries.

¹Recent articles in the news media indicate that Japan and Mexico are in the process of adopting a 5-day week.

"Five-day week brings bewildering leisure boom to Japanese" in Toronto Star, March 20, 1973.

"Mexicans demand short week" in Ottawa Citizen, March 22, 1973.

